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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

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PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS*

I. Summary of Events, 27 March - 9 April 1956.

During the period from 27 March to 9 April 1956 the most significant Sino-Soviet Bloc steps toward the expansion of economic relations with underdeveloped areas in the Free World were the Soviet offer of economic assistance to the new government of Indonesia, the extension of the Soviet-Burmese trade agreement to 5 years, and the conclusion of an agreement between Bulgaria and Egypt.

The USSR not only offered economic assistance to the new government of Indonesia but also began negotiations for a trade agreement between the two countries. Czechoslovakia is reported to have already negotiated two agreements with Indonesia, one for an enamelware plant and the other with the Indonesian Tire and Rubber Company.

In another significant action in the South and Southeast Asia region, Burma and the USSR extended to a period of 5 years a previously signed barter trade agreement whereby Burma will export rice in return for Soviet machinery, equipment, and consumer goods. As a result of the extension, the Bloc may receive as much as 50 percent of the total rice exports of Burma in future years.

A number of air and ocean freight agreements also were concluded between the Bloc and countries in South and Southeast Asia during the period. Regular air service between Burma and Communist China was initiated on 11 April, and an air agreement between the USSR and Afghanistan was signed on 24 March. India and the USSR agreed to establish a shipping service consisting of 12 cargo vessels on 6 April.

* Although the main emphasis of the Biweekly is on economic activities of the Sino-Soviet Bloc in underdeveloped areas of the Free World, significant Bloc activities of this nature in areas not considered underdeveloped also will be discussed.

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In the Near East and Africa, Bulgaria and Egypt signed a trade agreement, and Egypt contracted with Czechoslovakia for the purchase of a cement factory. The Chinese Communists opened a trade fair in Cairo and sent a trade delegation, headed by the Chinese Minister of Foreign Trade, to the Sudan. Syria ratified a trade agreement which had previously been signed with East Germany.

In Latin America, Brazil confirmed a report that an East German trade mission will arrive early in May for the purpose of negotiating a trade agreement whereby the exchange of Brazilian coffee and cotton for East German machinery will be facilitated.

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